

**Excerpted Transcript of Remarks by Senator Kent Conrad (D-ND)
at Senate Finance Committee Markup
of the Prescription Drug and Medicare Improvement Act of 2003
June 12, 2003**

This is history making. It hasn't been easy. I think all of us know there have been some very tough sessions that led us to this point.

The fact is the pattern and practice of medicine has changed. You know Senator Moynihan made the point so well when he would hold up the Merck Manual that was in effect when Medicare was passed. It was a very slim volume of prescription drugs. Then he would hold up the Merck Manual of today, and it is a weighty volume.

The fact is these are changes that require an updated Medicare. We have to have a prescription drug benefit if we're going to have a modern Medicare. Just one example: stomach surgery has been reduced two-thirds by prescription drugs. And that same change is reflected in many other parts of medicine as well. Four out of 10 people don't have drug coverage in this country. In my state it is even worse. So this proposal is a major step in the right direction.

At the same time, I don't think we should over promise or over sell. The fact is there are significant shortcomings here. But I think we should start with what is right. This is going to provide coverage for millions of American seniors. It is especially important for those below 160 percent of poverty and those who face very high prescription drug costs. It does not require seniors to leave traditional Medicare to get coverage. That is a very important point and we should tell it.

It also, in the Medicare provisions, makes a real commitment to addressing the rural inequities that currently exist. And I want to salute the Chairman and the ranking member. Thank you for including the provisions in the H-CARE (Health Care Access and Rural Equity) bill that Senator Thomas and I have offered. It is going to help level the playing field.

And on chronic care, five percent of Medicare beneficiaries use 50 percent of the budget, 5 percent use 50 percent. Senator Frist said it well. We need to coordinate that care to get better care and to reduce cost and this bill has a significant demonstration project, both one offered by the Senator from Arkansas and one offered by me based on Budget Committee hearings we just held two weeks ago.

Finally, on the shortcoming side very briefly. There is \$400 billion to work with here. If we were to provide the benefit federal employees have, it would cost twice as much, \$800 billion. If we were to provide the coverage that we give to our military members it would cost \$1.2 trillion, three times as much. You can't do as much with less money. That is a reality.

Finally on instability. This is the one area, Mr. Chairman and Senator Baucus, that I would hope we could improve on because it does concern me. We could have seniors be in four different plans in four different years. And we could have them facing different premiums,

different coinsurance levels, different requirements with respect to where they get their prescription drugs. I think that would create confusion. I know this is a difficult area, but I would hope very much before we're done with this process we find a way to reduce the instability.